



10 ADMINISTRATION

Effective: 6/1/96

10.3 Financial Management Requirements

Revised: 3/1/98

POLICY: Local agencies must abide by the following:

- USDA-WIC Federal Regulations and State policies as stated in this WIC Operations Manual
- Office of Management and Budget (OMB) Circulars
- DHSS Allowable Cost Manual
- WIC Grant Agreement

BACKGROUND: Policies and procedures described in this Operations Manual are based on the following:

- A. USDA-WIC Federal Regulations as published and updated under 7 CFR Part 246; Special Supplemental Nutrition Program for Women, Infants and Children
- B. 7 CFR 3016 implementing Office of Management and Budget (OMB) Circulars A-102 (Uniform Requirements for Grants and Cooperative Agreements with State and Local Governments) and A-110 (Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations)
- C. DHSS Allowable Cost Manual (February 1995), for principles for allowable costs, see Policy 11.1 Expenditure of Program Funds, Attachment) which also includes OMB Circular A-87 (Cost Principles for State and Local Governments), and OMB Circular A-122 (Cost Principles for Nonprofit Organizations)

PROCEDURE:

A. REQUIREMENTS OF LOCAL AGENCIES

1. Maintain adequate and separate accounting and fiscal records and documentation that adequately identify the disposition of contract funds by line item for all funding sources that support this program.
2. Maintain effective control over and accountability for all contract funds, property, and other assets. All such assets shall be used solely for the contract-authorized purpose.
3. Maintain procedures for determining reasonableness, allowability and allocability of costs in accordance with the provisions of OMB Circulars A-87, A-21, and A-122.



4. Maintain records that identify the WIC catalog of Federal Domestic Assistance Number (CFDA #10.557) to assist auditors in performance of their duties.
5. Comply with the allowable cost policies of the State Agency and 7 CFR 3016 (see Attachments).
6. Submit, on a monthly basis, claims for reimbursement of allowable costs incurred in the provision of services to the Department of Health and Social Services, Bureau of Fiscal Services (BFS).
7. Make available all records pertaining to activities under the contract to representatives of the state and/or federal government for review and/or audit. See Policy 10.42 Record Retention for retention requirements.
8. Conduct and document reconciliation of costs reported to the Department for reimbursement on at least a quarterly basis.

B. ACCOUNTING CONTROL

For effective accounting control over the agency's' resources, the following duties may not rest with the same individual:

1. Collections and issuance of receipts
2. Preparing and making deposits
3. Entering receipts on accounting records
4. Posting and maintaining accounts receivable records
5. Preparing bank reconciliations

C. RIGHTS TO MATERIALS

The Department shall have royalty-free, non-exclusive, and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, any copyrighted materials, assessment tools or educational materials developed under this Grant Agreement.

D. SECURITY OF GRANT

Any payments of monies to the local agency by the Department for services provided under this Grant Agreement shall be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. Any balance exceeding FDIC coverage must be collaterally secured.



E. PROCUREMENT TRANSACTIONS

The local agency shall conduct all procurement transactions, regardless of whether by sealed bids or by negotiation and without regard to dollar value of the transactions, in a manner that provides maximum open and free competition.

F. LOCAL AGENCY AUDIT REQUIREMENTS

1. The costs of financial and compliance audits necessary in accordance with OMB Circulars A-133 are allowable as administrative costs.
2. The local agency shall comply with the Auditing Requirements as specified in the WIC Grant Agreement.

ATTACHMENTS

7 CFR Ch.XXX, Part 3016-Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments